



Mayor's column August 14, 2014

Good News

Both the City of Gallatin and our Public Utilities Department have great news – our bond ratings are up!

Some of you may ask, "What is a bond rating and why is this important?" In short, the higher our rating, the more money our citizens save.

Recently, the City of Gallatin and Gallatin Public Utilities went to the bond market to raise funds for several long-term capital needs. When you sell bonds, the rating agency Standard and Poor's (S&P), evaluates your credit worthiness and assigns you a credit rating.

During the evaluation process, S&P asked Gallatin about what is happening in the development community. S&P wants to know what your current and future outlook is. We were able to talk about the firearms company Beretta coming to Gallatin along with American Mechanical and American Colors – new companies to Gallatin who chose our city because of its current and future outlook.

We were also able to talk about the company expansions taking place – ABC Technologies, Sumner Regional Medical Center, Servpro, and National Healthcare. As we told S&P, in the last 19 months, businesses have invested \$189-million in capital with more than 1,000 new jobs announced. This growth is unprecedented for Gallatin.

On the financial side, we talked about our \$5-million Rainy Day Fund (our savings account). The fact that we have not had a property tax increase in eight years did not go unnoticed. They were pleased with our prudent and conservative fiscal policies regarding financial management. The City's rating of AA+ is the third increase in seven years.

But even more important were S&P's comments. The rating agency determined that Gallatin had the ability to reach a AAA – the highest rating – in the future. This is great news for the citizens. These high bond ratings save our citizens thousands of dollars when we go to the bond market to raise funds for capital projects.

Gallatin Public Utilities (GPU) also impressed Standard & Poor's. GPU has done a great job of planning for future needs. GPU has strong reserves and keeps its rates low. It is no easy task to have a city growing as fast as we are and have your utility stay ahead of the expansions. GPU has capacity for decades to come. Thanks to its prudent planning, GPU received a AA rating which is the highest utility rating in the county. The AA rating even exceeds Metro Nashville's rating!

The citizens of Gallatin can have faith in the ability of its decision makers to look out for their interests. Standard & Poor's feels that the City as a whole, and GPU as a department, are well-managed and are planning for Gallatin's future in a sound, responsible way.